

Health Reform Commission – Executive Committee Meeting

Meeting Minutes, Monday, July 18, 2011 2:00pm

1. Lieutenant Governor Roberts called the meeting to order with all five committee members present at 2:07pm. It was noted that there is a sign up sheet for public comment.
2. Presentation & Discussion: Community Input Gathered Regarding Options for Exchange Establishment through an Executive Order.
 - a. The slide presentation is posted online [here](#) for public review and reference.
 - b. There was discussion about newly announced federal flexibility on timelines for exchange implementation however it was noted that this extension or flexibility in promulgated federal regulations does not apply to the funding deadline for the next round of exchange implementation funds at the end of September.
 - c. There was discussion of the transparency and public oversight that are desirable for an exchange. It was noted that the transparency and oversight already exist in options one and two for exchange governance (locating an exchange within the executive branch), but would need to be created in option three (outsourcing an exchange to a to-be-created non profit.
 - d. Discussion centered around the fact that a large and engaged group of stakeholder volunteers, as well as executive branch agency staff and legislative staff worked last year to come to an agreement on transparency, efficiency, and adequate performance as well as quality service that a RI health insurance exchange should embody. The consensus that is reflected in that work should be the basis for any Executive Order that the governor may employ.
 - e. In the discussion of community input, it emerged that much of the stakeholder input supported the approach in option 2 (locating an exchange in a newly created division within the executive branch) although support was expressed for all 3 options.
 - f. Discussion of stakeholder input in support of option 1 included:
 - i. Most direct approach due to statutory authority at Dept. of Health.
 - ii. Link exchange to public health system and public health system improvements.
 - iii. Maintain the inter-departmental process underway (OHIC, BHDDH, DHS, EOHHS, etc.)
 - iv. Stakeholder concerns expressed about options two and three related to delegating authority.
 - v. Option one maintains transparency required in a government department.
 - vi. Most direct regulatory approach given HEALTH's direct ability to promulgate regulations.
 - g. Discussion of stakeholder input in support of option 2 included:
 - i. This option provides for government transparency without risking loss of direct focus on an exchange since it would be in a division with sole focus on exchange.
 - ii. Select state department/division best able to implement the mission of ensuring high quality while controlling costs.
 - iii. Various points of view were expressed on which department to delegate to-- support expressed for OHIC as "nexus" in government for exchange-- OHIC expertise was raised by several commenters in support of this approach.

- iv. Support was also expressed for EOHHS- would facilitate coordination with other health planning efforts, publicly funded coverage, and strategic approach for high impact.
- h. Stakeholder input in support of option 3 included:
 - i. Non-profit can be linked into government through board.
 - ii. Easier for entity to work quickly and with sole focus on project.
 - iii. Accountability and transparency can be built into board structure.
 - iv. Less subject to budgetary/political considerations.
 - v. Reduces procurement timeline and is mission driven.

3. Executive Committee Discussion:

Many comments were offered- it was suggested that departmental coordination should be a factor, as well as that over-loaded departments should be avoided to avoid “mission drift.” A “neutral” location was recommended to insulate the exchange from the budget process as much as possible. It was suggested to ensure a tight link between Exchange and coordinated health planning and health system regulation, retain public participation in the process, retain key governance structures including the board as well as the health expert advisory board (including brokers). It was recommended to choose a location best able to ensure that Exchange will have cost containment impact through strategies like active purchasing and consolidated purchasing power. An idea was raised to place brokers on the board, such as in Massachusetts.

- i. It was stated that the focus of the day was to evaluate the options.
 - j. Decision Points were raised, such as whether or not to include a new division in Health and the resulting implications of this decision.
 - k. Decision points on Option Two were raised as well, such as which agency to place the exchange in and how to accommodate regulation promulgation. A question on promulgating regulations was raised regarding whether it was more difficult to promulgate regulations or to do it in a timely fashion depending on the location within the executive branch.
 - i. Decision points on option 2(B) that were raised were similar.
 - l. Decision points on Option Three were raised, such as how to account for staffing, how to accommodate regulatory authorities, and how to meet government transparency requirements.
 - i. There was a comment on regulatory ability and precedent for promulgating joint regulations across agencies.
- ### 3. Public Comment:
- a. Dr. Nick Tsiongas, from Health Right, offered some comments. He noted that utilizing the tools of the ACA is an opportunity for RI to have a full and active Exchange as the marketplace for all Rhode Islanders, which may also include a state health plan. He noted the importance of this issue given the role of healthcare in the economy and the role of increasing healthcare costs as a concern for citizens and businesses. He remarked that it is encouraging to see that this administration is looking carefully at issues like Certificate Of Need and coordinated health planning. He stated that a prime goal of any Executive Order should be the maximum integration of purchasing through the Exchange. He also advocated for a coordinated and clear program of regulatory reforms of how we pay for care and how we provide care.
 - b. Elaina Goldstein, from Rhodes for Independence and URI pointed out that the National Conference of Insurance Regulators in Newport this past weekend brought forward some issues to members. She highlighted provisions in the proposed federal regulations including issues as to how the Exchange and

Medicare/Medicaid will interact. She remarked that a non-profit model is not necessarily new, and commented on questions regarding the idea of separate exchanges for individuals and small businesses. She stated that these need to be resolved before deciding where to put the exchange. She suggested looking closely at the recently proposed federal regulations.

- c. An observation was made by a member of the committee that valuable points had been made, but that they related less to the specific options and more to the overall exchange planning. He continued to recommend that whatever option is chosen, flexibility and the ability to be creative are maintained.
 - d. It was discussed that there needs to be an entity put in place that is robust enough and successful enough to carry over into future administrations, to ensure that the exchange will continue functioning on behalf of Rhode Islanders who need access to affordable insurance coverage.
4. A motion was made to move to Executive Session to discuss litigation issues. Roll was called for the motion to go into Executive Session, and the motion was unanimously approved.
 5. The committee returned to open session. The committee reported that no votes had been taken in Executive Session.
 6. A motion was made by Director Licht in the public session to make a recommendation to the governor to issue an Executive Order that would make it possible for the state of Rhode Island to meet all federal requirements to obtain continued funding for the development of a health insurance exchange and further to recommend to the governor that the Executive Order adopt Option 2 – placing the ongoing exchange development within a new, solely focused division in the executive branch. There was no agency specified in the recommendation but that rather the governor should select that agency that best meets the flexibility and focus needs for the exchange implementation. The motion included an acknowledgement that if the governor determined that it was best to locate the exchange project within the Department of Health, the executive committee would not oppose that choice. The motion continued that the staff will transmit to the governor and the legal counsel today's presentation, the written materials received and a summary of the presentations given today. Secretary Costantino seconded that motion.
 7. The motion passed in a unanimous vote.
 8. The meeting was adjourned.